



Advanced Corporate Finance

This course provides a detailed analysis of maximizing a firm's value within the context of market constraints that include risk and regulations. This analysis involves the study of the optimal use of corporate assets and liabilities. Some of this study can be done with concrete financial formulas. However, some require the use of other disciplines, such as behavioral science, as well as the use of judgement and savvy.

Available Session(s):

20-Oct-2008 -- 24-Oct-2008	New York	USD \$4675
NY Institute of Finance - Midtown	9:00am - 4:30pm	Mon Tue Wed Thu Fri

Instructor(s):[John Palicka;]

Targeted Audience

Analysts, associates, senior level bankers, asset managers, portfolio managers, M&A specialists and corporate bankers. Anyone working in the international arena or on the Level II and III CFA exam would benefit.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

Students are expected to have a basic knowledge in Time Value calculations, Accounting, Finance, Economics, and some basic topics in Derivatives and Statistics. While the course reviews some of these topics to the extent that they are used in specific areas of Corporate Finance, students that are rusty in these areas are

expected to further review this material on their own.

Learning Objectives

Students will be able to:

- Understand Business Structures and the Financial Markets, Control Issues, Agency Problems, and Ethical Topics
- Use Financial Statements to obtain Cash Flows for the Firm and Equity Holders
- Use Financial Statements to get calculate Solvency and Profitability Measures
- Understand Long-Term Financial Planning and Growth Using Sales Forecasts and Financial Constraints
- Complete Valuations using Time Value of Money, Simple and Compounded Interest
- Understand and calculate the Dividend Cash Flow Valuation Methods Under various Cash Flow Assumptions
- Describe Loan Types and Amortizations
- Understand Bond Valuation Techniques, Bond Yield Calculations, Special Bond features along with Indenture Requirements, Determination of Bond Ratings
- Understand and evaluate Equity Valuation Techniques using various Growth Assumptions, Features of Common and Preferred Stock, Stock Market Exchanges and Their Functions
- Describe and analyze Capital Budgeting Decisions as regards to Considerations of Using Payback, Net Present Value, Internal Rate of Return methods
- Conclude on Capital Budgeting Decisions as regards to pro-forma cash flows. Determining appropriate costs and evaluating Side Effects, Opportunity Costs, use of tax constraints, such as MACRS.
- Understand Special Operating cash flow topics using Top-Down, Bottom-Up, Tax Shield Approaches, Special discounting issues, including equipment with different lives
- Complete a Project Analysis and Evaluation using Scenario, Break-even, financial and operating leverage issues
- Distinguish between risk and return as it pertains to Portfolio Theory. Using statistical measures such as covariance, standard deviations, correlations to quantify risk. Returns will be analyzed from arithmetic and geometric average calculations. The Efficient Market and its three forms will be discussed in terms of market efficiency. Risks in terms of market and specific risk, the security market line, beta will be applied to a firm's cost of capital
- Understand the role of Options in Corporate Finance including their role of options in determining a firm s equity, their role in capital budgeting and their features in securities (Put-call parity, Black-Scholes Option Pricing Model)
- Explain the Cost of Capital and determine various ways to obtain the cost of debt and equity, including yield to maturity, dividend discount model, and CAPM by determining the weighted average costs of capital, along with floatation costs.
- Describe the concept of capital raising by analyzine a company life cycle, techniques of selling securities to investors, choosing underwriters, choosing various types of securities including private placements, IPOs, and determining the costs of raising capital.

- Understand and distinguish what affects Capital Structure by looking at financial leverage, M&M propositions, Optimal capital structures, and bankruptcy costs
- Demonstrate an understanding of Dividend Policies and determine the impact on a company and its shareholders. Discuss Payout determination, Stock Buybacks, and Cash versus stock dividends
- Understand the meaning of Short-Term Financial Planning. Working Capital Management, Operating Cycle and the cash cycle, short-term borrowing strategies, cash management, credit and accounts receivables, inventory management and the EOQ model.
- Describe International Finance and how to adjust the capital budgeting process for foreign exchange and political risks
- Identify Risk Management techniques using Futures, Options and Swap Strategies
- Understand the concepts of Mergers and Acquisitions including mergers versus acquisitions using stock or cash. Determine gains from acquisitions and anti-takeover strategies
- Distinguish between Operating and Capital Leases and the Lease or Buy decision
- (Optional Topics: time permitting) Alternative Investments, Real Estate, Entertainment Financing

Partner(s)

New York Institute of Finance is pleased to offer two exceptionally challenging and market relevant courses in the field of Corporate Finance Advanced Corporate Finance and International Corporate Finance. Offered as the Advanced Corporate Finance Academy Suite, these advanced level courses are excellent complements to one another. Balancing theory and conceptual frameworks with practical applications, these courses will enable you to return to the workplace with hands-on skills to succeed in the financial and corporate sector. These are graduate level courses and do have pre-requisites. The cost of the Suite is \$7,500. This is a savings of \$1,200 if you register for both classes at the same time.

Level: Advanced

CPE Credits: 36.0

Instructional Method: Group-Live

Detailed Outline

Day 1

- Introduction to Corporate Finance
- Financial Statements, Taxes, and Cash Flow
- Working with Financial Statements
- Long Term Financial Planning and Growth

Day 2

- Introduction to Valuation: The Time Value of Money
- Discounted Cash Flow Valuation
- Interest Rates and Bond Valuation
- Stock Valuation
- Net Present Value and Other

Investment Criteria

Day 3

- Making Capital Investment Decisions
- Project Analysis and Evaluation
- Some Lessons from Capital Market History
- Return, Risk, and the Security Market Line

Day 4

- Options and Corporate Finance
 - Cost of Capital
 - Raising Capital
 - Financial Leverage and Capital Structure Policy
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Day 5

- Dividends and Dividend Policy
- Short-Term Finance and Planning
- Cash and Liquidity Management
- Credit and Inventory Management
- International Corporate Finance

The final exam will be given on a separate day and will not be included in the 45 hour course time.

Course Materials

The required textbook is "Fundamentals of Corporate Finance" (7th Edition) by S. Ross, R. Westerfield, and B. Jordan (McGraw-Hill 2006). Supplemental course material will be distributed in class. Various financial calculations will be required. Therefore, it is mandatory that a financial calculator be obtained, such as the Texas Instruments BA II PLUS. The instructor will guide but not teach you how to use this calculator. If you use other calculators, you are on your own. Certain parts of the chapters will be more difficult and thus emphasized more than others. So, taking good class notes will be important to facilitate efficient studies.

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